

★ Roll Call Number

Agenda Item Number

50

Date July 14, 2008

WHEREAS, the ordinance establishing the Des Moines International Airport gives the Airport Board the power to establish and enforce regulations for the control, operation, supervision and maintenance and security of the Airport and further gives the Board the power to establish rates and charges for use of the airport, airport facilities, or airport services; and

WHEREAS, the Airport Board is required by section 22-51(a)(3) of the Municipal Code to notify the City Council of the proposed effective date of the regulation and to provide a copy of the proposed regulation to the City Council for its review; and

WHEREAS, the Airport Board pursuant to section 22-51 of the Municipal Code intends to enact the attached proposed regulation No. 08-57 amending section 2-6(a) of the Airport Board Regulations relating to parking fees as a part of rates and charges at the Des Moines International Airport; and

WHEREAS, on June 3, 2008, through Resolution A08-111, the Airport Board approved by first reading the proposed regulation and set a public hearing date of July 1, 2008, and set the resolution's effective date to be September 1, 2008; and

WHEREAS, a public hearing was held on July 1, 2008, at 8:00 a.m. in the Cloud Room of the Des Moines International Airport and after the hearing the Airport Board approved, through Resolution A08-130, the second reading of the proposed regulation; and

WHEREAS, the City Council, if upon review of the proposed regulation, determines that such regulation is inconsistent with the provisions of the Municipal Code, or is inconsistent with any applicable state or federal law or regulation, or is otherwise objectionable, the City Council may so declare by resolution, and in that event the proposed regulation will not be published and shall not take effect;

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NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF DES MOINES, IOWA:

That the attached communication from the Chairperson of the Des Moines International Airport Board submitting proposed Airport Board Regulation No. 08-57 and duly notifying the Council of the proposed effective date of September 1, 2008, for the regulation is hereby received and filed.

Moved by _____ to adopt.

FORM APPROVED:


David A. Ferree
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
VLASSIS				
MEYER				
TOTAL				
MOTION CARRIED				APPROVED

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk

Date _____

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Roll Call # _____

July 1, 2008

The Honorable Mayor and Members of City Council
400 Robert D. Ray Dr
Des Moines, IA 50309

RE: Proposed Airport Regulation No. 08-57, Parking Rate Changes

Dear Mayor and Members of the City Council:

The City Council created the Airport Board under Chapter 392 of the Iowa Code for the purpose of governing the operation of the Des Moines International Airport. The Council further delegated the Board the power to establish rates and charges for use of the Airport consistent with its responsibility to maintain a positive cash balance in the Airport Enterprise Fund at all times.

At its meeting of June 3, 2008, the Airport Board approved the first reading of a resolution to adjust certain public parking rates. At the Board's meeting of July 1, 2008, a public hearing was held and, after receiving no comments, the Board approved the second reading.

The parking rate adjustments as proposed were largely based on the results of a comprehensive operational and financial review of public parking completed by Airport Staff. The Airport's parking management operator, Republic Parking, also completed their own analysis and those results were considered as well.

Staff determined that as passenger levels have increased, patrons of Airport parking have consistently shown a desire for covered parking close to the Terminal Building. Since construction of the Airport's public parking ramps nearly a decade ago, Long-Term parking (1,800 spaces) consistently sells out two or three days each week—often five days per week during peak travel times—and has maintained an occupancy rate in the current year of over 84%.

Moreover, the public has demonstrated a willingness to pay a significant premium for close-in covered parking, as evidenced by the large number of overnight parkers in the higher-priced Short-Term parking area. Parking in the Short-Term facility (300 spaces) has increased to the point that during peak travel times, the lot is often half-full (or more) with overnight parkers. This reduces the number of available spaces for “true” short-term parkers—those dropping off outbound passengers, picking up inbound travelers, or conducting other business in the Terminal Building.



DES MOINES INTERNATIONAL AIRPORT
DEPARTMENT OF AVIATION, ROOM 201
5800 FLEUR DRIVE
DES MOINES, IOWA 50321-2854
(515) 256-5100

ALL-AMERICAN CITY
1949, 1976, 1981
2003

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It was also noted that Economy Parking (1,400 spaces) has not attracted patronage comparable to the more expensive areas, despite costing less than half to park in these areas. These Economy Parking areas have generally been viewed as a last resort for many patrons.

Specific rate adjustments being proposed by the Airport Board are as follows:

Long-Term Parking

The Airport Board proposes raising the daily rate for Long-Term parking from \$9 to \$11 per day. This rate had not changed since November 2003 but occupancy rates in Long-Term have risen steadily to the point they are routinely at capacity.

Because the Long-Term facility almost always fills before any other, it is reasonable to assume that demand for spaces in Long-Term at the current rate of \$9 per day exceeds the supply of spaces, and that certain patrons will park in less-expensive areas as rates are increased.

Short-Term Parking

The Airport Board proposes raising the daily maximum for Short-Term parking from \$20 to \$22 per day. A vast majority of parkers in this area only park hourly (the average stay is just under two hours) and they will not be affected by this change. The increase in the daily maximum is only intended to discourage excessive overnight parking in the lot.

Other Considerations

Staff also examined other rates during its review, but determined that current rates were appropriate. For example, the effects caused by implementing a grace period were considered. Based on the fact that 25.5% of all Short-Term revenue is generated by those staying 30 or fewer minutes, annual revenue for the most recent 12 month period from parkers for fewer than 30 minutes is \$251,427. This represents significant revenue to the Airport, but despite a potential loss of revenue, there are often reasons to implement a grace period. Reasons may include 1) alleviating a vehicle congestion problem at curbside, or 2) offering an enhanced customer service.

Some airports lack adequate staff to enforce the parking prohibition in front of the terminal but this is not the case in Des Moines. A grace period will not likely incentivize many customers to park in Short-Term as opposed to using the Terminal curbside roadway because of the added time to negotiate the entrance and exit plazas. Even with a grace period many customers will likely continue to pick up and drop off in front of the Terminal rather than using Short-Term parking, simply due to convenience.

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Due to lost revenue and minimal operational benefits gained, neither the Board, Airport Staff, nor Republic Parking recommends a 30-minute grace period.

Also, the Board does not recommend a change to the Economy parking rates. The very low daily rates in these areas (\$4.00 per day) will continue to appeal to price-sensitive customers. While occupancy should increase with an anticipated migration of customers from Long-Term, there are typically enough vacant spaces to handle the infusion of customers.

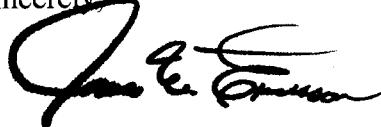
While the proposed rate adjustments may not represent a permanent fix for underlying space constraints, they will allow for a certain amount of relief while also increasing revenue to the Airport by an estimated \$900,000 annually. The proposed changes provide Aviation Department Staff and the Board additional time to plan and direct a comprehensive long-term solution for the Airport's future parking needs.

Based on projected activity levels, Airport revenues are expected to meet anticipated Airport expenses during the upcoming fiscal year. The proposed rates have been projected to ensure compliance with bond requirements.

The Airport Board, pursuant to the ordinance regarding its establishment, is required to file any revised rates and charges regulations with the City Clerk and to publish both notice of intent to adopt the regulation, as well as the time and place of a public hearing. The Airport Board is further required to notify the City Council of the proposed effective date of the proposed regulation and provide a copy to the City Council for their review and hold a public hearing on the proposed regulation. The Board then must adopt the regulation by Board Resolution and have the City Clerk publish it prior to its effective date, in this case September 1, 2008. The Airport Board plans to read the regulation for the third and final time at its meeting of August 5, 2008.

The Board herewith submits for City Council information and review, the proposed regulation pursuant to Section 22.51 of the Municipal Code.

Sincerely,



James E. Erickson
Airport Board Chairperson

Enclosure

cc: Richard A. Clark, City Manager

2-6. AIRPORT PARKING FEES.

(a) Unless otherwise specified by a separate lease or other agreement, the city shall charge and receive parking fees for vehicles parking at the airport as follows:

Short Term Parking:	\$1.00 per half-hour or fraction thereof to a maximum of \$20.00 \$22.00 for each 24-hour period.
Long Term Parking:	\$2.00 per hour or fraction thereof to a maximum of \$9.00 \$11.00 for each 24-hour period.
Economy Parking One: (West of Fleur Drive)	\$0.50 per hour or fraction thereof to a maximum of \$5.00 for each 24-hour period.
Airport Two, Economy Parking: (East of Fleur Drive)	\$0.50 per hour or fraction thereof to a maximum of \$4.00 for each 24-hour period.
Overflow Parking: (Areas as designated by Aviation Director)	\$15.00 charge at point of entry per vehicle with free flow exit.
Employee Parking:	Tenant employees with offices or places of business on the airport, who do not have leased vehicle parking areas, shall be permitted to park within a vehicle parking lot assigned by the aviation director for a fee of \$17.00 per month.
Semi-Truck Trailer Parking:	Airport tenant-owned or operated semi-truck trailers shall be permitted to park within a parking area assigned by the aviation director for a fee of \$25.00 per month per vehicle.
Aircraft Crew Parking:	Aircraft crew of air transportation companies shall be permitted to park within a vehicle parking lot assigned by the aviation director for a fee of \$30.00 per month.
Oversized Vehicle Parking:	All oversized vehicles, defined as a vehicle unable to park within the limits of one (1) parking space, are required to park in the lot designated as Economy Parking Two (East of Fleur Drive), and pay the corresponding daily rate, unless authorized to park in another lot by the aviation director.
Lost Ticket Fee:	For the "Short-Term", "Long-Term", and "Economy Parking One" parking areas, the lost ticket fee will be calculated using the number of days of which the patron's vehicle was included in the nightly license plate inventory. The maximum daily rate shall apply to both the date of entry and the date of exit as well. For those patrons not on

the overnight inventory, the charge shall be for one day at that facility's maximum daily rate.

For the "Economy Parking Two" parking area, the lost ticket fee shall be a flat fee of \$25.00.

Unpaid Invoice Fee:

A \$25.00 fee added to total parking charge if payment in full was not collected when customer exited the parking facility, added if payment is not received within five (5) business days.

(b) The Airport Board may, by Airport Board Policy, waive the parking fees as set out in 2-6 (a) for those persons meeting the requirements of the Airport Board Policy.

(c) No motor vehicle shall remain in the following parking areas on the Des Moines International Airport beyond the corresponding period of time listed below:

Short Term Parking – Forty (40) consecutive days

Long Term Parking – Seventy (70) consecutive days

Economy Parking – One hundred (100) consecutive days

If the motor vehicle remains in the parking area longer than the designated period, the motor vehicle shall be considered abandoned and the city shall follow the procedures set forth by Section 321.90 of the Iowa Code. If an owner of a motor vehicle notifies the city's parking operator in writing in advance that his or her motor vehicle will be parked in one of the above listed parking areas longer than the time set out above, the length of time it will be parked in the parking area, and the make, model and license plate of the motor vehicle, the City shall not consider the vehicle abandoned until the period of time indicated by the owner has lapsed and the vehicle has not been removed. The aviation director has the right to refuse to allow parking in excess of the times set forth above in his or her discretion.

(08-57) (06-52) (05-50) (05-48) (04-47) (04-46) (04-45) (03-42) (03-41) (03-40) (02-38)
(02-35) (01-29) (01-27) (00-22) (98-18) (96-12) (96-10) (95-07)